



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT

DIVISION OF LOCAL GOVERNMENT AUDIT

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July 9, 2013

The Honorable Derrick D. Schofield, Commissioner, Department of Correction
The Honorable Karl Dean, Metropolitan Nashville - Davidson County Mayor
The Honorable Daron Hall, Metropolitan Nashville - Davidson County Sheriff

To the Commissioner, Metropolitan Nashville - Davidson County Mayor, and Sheriff:

Our office has recently completed a review of the Metropolitan Government of Nashville and Davidson County (Metro Nashville) CCA Facility's participation in the County Correctional Incentive Program for the year ended June 30, 2012.

The finding and recommendation and the summary of adjustments to costs and inmate days, as a result of our review, are presented in detail in the enclosed report. The following is a summary of the results of our review:

The total inmate population was not accurately reported to the state. We discovered that 4,968 inmate days were underreported and 37 felon days were overreported. The effect of these adjustments to the Final Cost Settlement Report was to decrease the Metro Nashville CCA Facility's average daily cost from \$47.81 to \$47.25 per inmate day. As a result of these errors, Metro Nashville received a total overpayment of \$216,992. Since the overpayment was made after the Final Cost Settlement, adjustments should be made in subsequent monthly payments.

Please contact me if you have any questions regarding our review of the Metropolitan Government of Nashville and Davidson County CCA Facility's participation in the County Correctional Incentive Program.

Sincerely,

A handwritten signature in black ink, appearing to read "James R. Arnette".

James R. Arnette, Director

Enclosure

cc: Judith Lambert, Judicial Cost Accountant

**METROPOLITAN GOVERNMENT OF NASHVILLE AND
DAVIDSON COUNTY CCA FACILITY
REPORT ON THE REVIEW OF THE
COUNTY CORRECTIONAL INCENTIVE PROGRAM
FOR THE YEAR ENDED JUNE 30, 2012**

This report reviews the Metropolitan Government of Nashville and Davidson County (Metro Nashville) CCA Facility's participation in the County Correctional Incentive Program for the year ended June 30, 2012.

As a result of our review, we discovered that 4,968 inmate days were underreported and 37 felon days were overreported. The effect of these adjustments to the Final Cost Settlement Report was to decrease the Metro Nashville CCA Facility's average daily cost from \$47.81 to \$47.25 per inmate day. Because of these errors, Metro Nashville received a total overpayment of \$216,992. Since the overpayment was made after the Final Cost Settlement, adjustments should be made in subsequent monthly payments.

The objectives of the review were:

1. to determine the reasonableness and allowability of costs reported on the Final Cost Settlement Report submitted to the Tennessee Department of Correction,
2. to determine if prisoners were properly listed on the State Prisoner (Convicted Felon) Reports,
3. to determine if inmates were accurately reported on the Correction Facility Summary Reports, and
4. to recommend appropriate actions to correct any deficiencies.

SCOPE OF THE REVIEW

In performing our review, we tested the county's financial records and other supporting records pertaining to the Final Cost Settlement Report for the year ended June 30, 2012. We determined the reasonableness and allowability of reported costs by tracing reported expenditures to the correctional facility's ledgers and worksheets.

Furthermore, we evaluated procedures relating to the counting and reporting of the total inmate population as reported on the Correction Facility Summary Reports and the Final Cost Settlement Report. We also performed testwork on selected days to determine that the number of prisoners reported on the cost reports agreed with counts of prisoners actually incarcerated at the facility.

In addition, auditors tested the proper classification of convicted felons listed on the State Prisoner Reports to ensure accurate reporting. Testwork included tracing information from the reports to the actual case files to verify the listed offenses, trial dates, and incarceration periods.

FINDING AND RECOMMENDATION

The finding and recommendation, as a result of our review, are presented below. We reviewed the finding and recommendation with management to provide an opportunity for their response. Officials offered oral responses to the finding and recommendation; however, these oral responses have not been included in this report.

FINDING 12.01 **THE TOTAL INMATE POPULATION WAS NOT ACCURATELY DETERMINED**

Metro Nashville did not accurately count and assess the total inmate population, as reported to the state, on the Correctional Facility Summary Report (CFSR) and the Final Cost Settlement Report.

The “Guidelines for Determining Reasonable Allowable Cost for State Prisoners” states that “during the year a monthly report (Correction Facility Summary Report) will be filed with the Judicial Cost Accountant, which summarizes all prisoners incarcerated in the facility.”

As a result of the correction of the aforementioned error the total inmate population was increased by 4,968 inmate days. Understating the total inmate population increases the reimbursement paid to the county.

RECOMMENDATION

Since the determination of the total inmate population plays a critical role in the calculating the reimbursement paid to the county to house convicted felons, extreme care should be taken to determine the total inmate population.

**METROPOLITAN GOVERNMENT OF NASHVILLE AND
DAVIDSON COUNTY CCA FACILITY
SUMMARY OF ADJUSTMENTS TO COSTS AND INMATE DAYS
FOR THE YEAR ENDED JUNE 30, 2012**

The following is a summary of adjustments made to the inmate days as settled in the field review by the Tennessee Department of Correction. The adjustments, as a result of our review, are discussed in detail in the Findings and Recommendations section.

	Operating Costs	Inmate Days	Felon Days
As Settled in the 2012 Field Review	\$ 20,254,779	423,672	420,846
Underreported Inmate Days		4,968	
Overreported Felon Days			(37)
Total Adjusted Costs and Inmate Days	<u>\$ 20,254,779</u>	<u>428,640</u>	<u>420,809</u>

We discovered that 4,968 inmate days were underreported and 37 felon days were overreported. The effect of these adjustments to the Final Cost Settlement Report was to decrease the Metro Nashville CCA Facility's average daily cost from \$47.81 to \$47.25 per inmate day. Because of these errors, Metro Nashville received a total overpayment of \$216,992. Since the overpayment was made after the Final Cost Settlement, adjustments should be made in subsequent monthly payments.